

MEMORANDUM

TO: Bob Durand, Secretary, EOE
ATTN: Arthur Pugsley, MEPA Unit
FROM: Tom Skinner, Director, CZM
DATE: March 11, 2002
RE: EOE # 12355 – Maritimes & Northeast Phase III and Algonquin
HubLine Pipeline Projects; Statewide

The Massachusetts Office of Coastal Zone Management (CZM) has completed its review of the above-referenced Final Environmental Impact Report (DEIR), noticed in the Environmental Monitor dated February 9, 2002, and requests that the applicants address the following matters during the permitting process.

Project Description

The proposed project entails construction of a 30-inch high pressure gas pipeline which would bring gas originating from Sable Island, Canada from Maritimes Phase II in Methuen, Massachusetts to Beverly, Massachusetts (Maritimes Phase III). Algonquin is proposing to construct a 29.4-mile, 30-inch high-pressure gas pipeline (HubLine) that will interconnect with Phase III at Beverly, and pass through western Massachusetts Bay to the Sithe Fore River Station in Weymouth, Massachusetts. A 5.4-mile, 24-inch lateral is proposed to fuel the Deer Island Wastewater Treatment Plant. At Weymouth, the HubLine will interconnect with a 24-inch Algonquin lateral that is under construction. The two aspects of the proposed pipeline are being reviewed as a single project. CZM's primary jurisdiction is with the marine HubLine portion of the proposed project.

The applicant is proposing to use horizontal directional drilling (HDD) technology to connect the HubLine to Maritimes Phase III at Beverly, to place the pipeline under George's Island in Boston Harbor, and in the Fore River at Weymouth to connect to the Sithe/Braintree Lateral. In open water, Algonquin is proposing to bury the pipeline three or more feet below the ocean floor, where the bottom is suitable, with conventional dredging, or plowing. In ship channel crossings and anchorages, the applicant has proposed to plow and then jet the pipeline into the ocean floor with ten feet of coverage. Where the pipeline route encounters bedrock or large boulders, the applicant is proposing to blast and place the pipeline in the resultant trench.

Primary impacts to living marine resources are expected to be from particulates in the water column from dredging and jetting operations, burial of benthic organisms from side-casting operations, and disturbance of the benthos by the sweep of the anchors holding the dredging and lay barges.

Comments

As indicated in CZM's comments on the Draft Environmental Impact Report (DEIR), the nature of the information gathering and review processes of the Federal Energy Regulatory Commission (FERC) complicate review of this proposal. The applicant has provided a significant amount of information to the FERC but it is not well indexed, making its use by other reviewers difficult. In the FEIR, the applicant has indexed all of the data submitted to the FERC since the DEIR was submitted to MEPA, however, the extensive material gathered and submitted to the FERC prior to that time was not indexed. An index of all of the available data relevant to this proposal would continue to be helpful.

Impacts to Marine Resources

CZM will rely on the expertise of the Massachusetts Division of Marine Fisheries (DMF) and the National Marine Fisheries Service (NMFS) for an assessment of the current proposals to avoid, minimize and mitigate impacts to living marine resources.

Construction Methodology

In comments on the DEIR, CZM recommended that the applicant provide a plan to prevent any accidents related to the pipeline laying exposed during construction and trenching. According to the applicant's response to comments and the FEIR, the requested plan will be developed in consultation with the selected pipeline contractor. CZM requests that the applicant and the contractor meet with maritime interests and CZM to discuss the proposed plan before it is incorporated into the contract.

Shipping

In its earlier comments, CZM requested that the applicant include several areas, identified by various shipping interests as possible anchorages, in its plans for burial with ten feet of cover. The applicant has complied with this request, as documented in the FEIR.

CZM is concerned about the impact of pipeline construction, particularly in the approach to the Fore River, on shipping schedules. At a later time, when construction schedules become more predictable, CZM requests that the applicant and its contractors meet with the maritime interests to ensure that construction scheduling and ship arrivals and departures do not interfere with each other.

Water Quality

In its comments on the DEIR, CZM requested that the applicant provide water quality monitoring protocols and monitoring data, as they become available, for its review. The applicant has provided such a plan. CZM will rely on the Massachusetts Department of Environmental Protection – 401 Water Quality Certification Program to evaluate the adequacy of the proposed plan.

Endangered Species

As the applicant's plan for protecting endangered marine mammals and sea turtles during blasting operations is not yet complete, CZM will rely on NMFS for an evaluation of the final plan to avoid adverse impacts to endangered animals.

Alternatives Analysis

CZM agrees with the FERC's analysis of alternative routes for the proposed project that the proposed route is the least environmentally damaging alternative.

Foreign Utility Crossings

In its response to CZM's request for additional information regarding crossings of foreign utilities, the applicant has stated that it would "accept" the crossing of HubLine by other utilities "provided the new crossing met Algonquin's minimum requirements for the design, construction, and maintenance of the crossing. This same philosophy applies to the crossing of other utilities by the HubLine Pipeline." Please provide information regarding the referenced minimum requirements and the means of applying the requirements to proposed new utility crossings.

South Essex Ocean Sanctuary

CZM will rely on the Massachusetts Department of Environmental Management (DEM) for an evaluation of the applicant's contention that the proposed project is acceptable under the Ocean Sanctuaries statute and regulations.

CZM's Federal Consistency Review

The proposed project is subject to CZM federal consistency review and therefore must be found to be consistent with CZM's enforceable program policies. For further information on this process, please contact Jane W. Mead, Project Review Coordinator, at 617-626-1219 or visit the CZM web site at www.state.ma.us/czm.

CZM notes that the applicant has included "final determination" of public convenience and necessity from the FERC, authorizing Maritimes and Algonquin to "construct, acquire, own, operate and maintain natural gas facilities..." A condition to this certificate requires the applicant to obtain CZM's concurrence before beginning

construction however it does not specify a course of action, should CZM object to the applicant's consistency certification.

The federal Coastal Zone Management Act (CZMA) states:

No license or permit shall be granted by the Federal agency until the state or its designated agency has concurred with the applicant's [federal consistency] certification... (16 U.S.C. §1456(c)(2)(3)(A))

In that CZM has not concurred with the applicant's federal consistency certification, we remind the applicant that the FERC certificate is not a final determination until CZM has concurred. Any modifications to the project resulting from the state permitting process or CZM's federal consistency review may necessitate modifications to FERC's determination.

TWS/JWM

cc: John Leiss, Project Manager
Federal Energy Regulatory Commission
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Regulatory Branch, US Army Corps of Engineers
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